



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10**

1200 Sixth Avenue, Suite 900
Seattle, Washington 98101-3140

MAR 14 2013

**OFFICE OF
COMPLIANCE AND ENFORCEMENT**

Reply To: OCE-133

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Howard Small
Regulatory Affairs Manager
Midas Gold, Inc.
Golden Meadows Exploration
405 S. 8th Street, Ste. 201
Boise, ID 83702

Re: September 11, 2012, NPDES Compliance Evaluation Inspection
MSGP Tracking No. IDR05CS67

Dear Mr. Small:

On September 11, 2012, the U.S. Environmental Protection Agency (EPA) inspected Midas Gold, Inc.'s (MGI) Golden Meadows Exploration project located near Yellowpine, Idaho. The purpose of this inspection was to determine MGI's compliance with the requirements of the Clean Water Act (CWA) and the National Pollutant Discharge Elimination System (NPDES) permit that applies to this site, Multi-Sector General Permit for Stormwater Discharges from Industrial Activities (MSGP) Tracking No. IDR05CS67. I would like to express my appreciation for your company's time and cooperation during the inspection.

Please note that the inspection was limited in its scope. Only those areas of the site covered by the MSGP were inspected; specifically, the recent disturbed areas including the exploration drilling activities, expansion of the temporary camp and related infrastructure, expansion of a borrow pit, and later reclamation of project disturbed areas. The inspection did not evaluate other areas of the site disturbed by past mining activities where there may be unpermitted point source discharges, such as, but not limited to, the historic Bradley Tailings, Glory Hole, and Permanent Heap Leach. These features and others are believed to have contributed to exceedances of state water quality standards. These historic mining disturbances remain a continuing concern to EPA, and may be further evaluated in future inspections. As a reminder, any point source discharges of pollutants into waters of the United States require an NPDES permit.

A review of the inspection report and EPA files revealed the following areas of concern. These findings are limited to those portions of the site covered by the inspection.

Areas of Concern

Parts 3.4 and 4.1.2 of the MSGP pertain to certain record requirements related to inspections and corrective actions. The inspectors reviewed routine facility inspection reports and corrective action reports and found that many of the reports were missing certification dates, signatures, and storm information. While corrective actions were identified in the reports, dates the actions were initiated and completed were not documented. The concern is that without proper documentation it is unknown whether or not MGI corrected the problems.

Parts 2.2.1.9, 5.1 and 5.4 of the MSGP pertain to employee training, identification of stormwater pollution prevention team, and training records. The inspectors found that the stormwater pollution prevention team listed in MGI's SWPPP was incomplete and/or out of date. Employee training records need to be updated to include all relevant staff. The concern is that staff might not be properly trained in conducting stormwater inspections.

Although it is EPA's goal to ensure NPDES facilities comply fully with their permits, the ultimate responsibility rests with the facility. As such, we strongly encourage facilities to maintain full knowledge of the applicable NPDES requirements and other appropriate statutes, and to take all appropriate measures to ensure compliance. Notwithstanding your response to this letter, EPA retains all rights to pursue enforcement to address any violations. Enforcement can result in civil penalties of up to \$37,500 per day, per violation.

Please do not hesitate to contact us with any questions regarding this letter or other matters related to your compliance with the CWA or the MSGP. If you have any questions, please contact Eva DeMaria at demaria.eva@epa.gov or (206) 553-1970.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff KenKnight", with a stylized flourish at the end.

Jeff KenKnight, Manager
NPDES Compliance Unit

cc: Mike McCurdy
Idaho Department of Environmental Quality, Boise Regional Office

Jim Egnew
U.S. Forest Service, Payette National Forest

Diane Green
Idaho Department of Lands, McCall

Wesley Keller
Nez Perce Tribe